



DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-016]

Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; and Preliminary Determination of No Shipments; 2019-2020

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily finds that certain producers and exporters of passenger vehicle and light truck tires (passenger tires) from the People's Republic of China (China) made sales of subject merchandise at prices below normal value (NV) during the period of review (POR), August 1, 2019, through July 31, 2020.

Commerce also preliminarily finds that one company did not ship subject merchandise to the United States during the POR. We invite interested parties to comment on these preliminary results.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Toni Page or Peter Shaw, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-1398 or (202) 482-0697, respectively.

SUPPLEMENTARY INFORMATION:

Background

On October 6, 2020, Commerce initiated the administrative review of the AD order on passenger tires from China covering the period August 1, 2019, through July 31, 2020.¹ The

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 85 FR 63081 (October 6, 2020).

petitioner in this review is the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC (USW). This review covers mandatory respondent Sumitomo Rubber Industries Ltd. (SRI); Sumitomo Rubber (Hunan) Co., Ltd. (SRH); and Sumitomo Rubber (Changshu) Co., Ltd. (SRC) (collectively, Sumitomo).² The administrative review also covers 27 other companies that were not selected for individual examination. On January 27, 2021, Commerce rescinded, in part, the instant administrative review with respect to 21 companies.³

For a complete description of the events that followed the initiation and the partial rescission of this administrative review, *see* the Preliminary Decision Memorandum.⁴ A list of topics discussed in the Preliminary Decision Memorandum is included as an Appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>.

Scope of the Order

The products covered by the order are certain passenger vehicle and light truck tires from China. A full description of the scope of the order is contained in the Preliminary Decision Memorandum.⁵

² SRI refers to the single entity, Sumitomo Rubber Industries Ltd.; Sumitomo Rubber (China) Co., Ltd.; Sumitomo Rubber (Hunan) Co., Ltd.; and Sumitomo Rubber (Changshu) Co., Ltd. (collectively, SRI).

³ *See Passenger Vehicle and Light Truck Tires from the People's Republic of China: Rescission, in Part, of Antidumping Duty Administrative Review; 2019–2020*, 86 FR 7258 (January 27, 2021).

⁴ *See* Memorandum, “Decision Memorandum for the Preliminary Results of the Antidumping Duty Administrative Review of Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China and Preliminary Determination of No Shipments; 2019-2020,” dated concurrently with, and hereby adapted by, this notice (Preliminary Decision Memorandum).

⁵ *Id.* at “Scope of the Order.”

Methodology

Commerce is conducting this administrative review in accordance with section 751(a)(1)(B) of the Tariff Act of 1930, as amended (the Act). We calculated constructed export prices in accordance with section 772 of the Act. Because China is a non-market economy (NME) country within the meaning of section 771(18) of the Act, we calculated NV in accordance with section 773(c) of the Act. For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.⁶

Preliminary Determination of No Shipments

Based on the available record information, Commerce preliminarily determines that Qingdao Fullrun Tyre Tech Corp., Ltd. (Fullrun Tyre Tech) had no shipments during the POR. For additional information regarding this determination, *see* the Preliminary Decision Memorandum. Consistent with our assessment practice in administrative reviews, Commerce is not rescinding this review for Fullrun Tyre Tech, but intends to complete the review and issue appropriate instructions to U.S. Customs and Border Protection (CBP) based on the final results of the review.⁷

Single Entity Treatment

We preliminarily find that the following companies are affiliated, pursuant to section 771(33)(F) of the Act and to 19 CFR 351.401(f)(1) and thus should be treated as a single entity: SRI; SRH; and SRC (collectively, Sumitomo). For additional information, *see* the Preliminary Decision Memorandum and Sumitomo Preliminary Calculation Memorandum.⁸

China-Wide Entity

Commerce's policy regarding conditional review of the China-wide entity applies to this

⁶ *Id.* at Discussion of the Methodology.

⁷ *See Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694, 65694-95 (October 24, 2011); *see also* the "Assessment Rates" section, below.

⁸ *See* Preliminary Decision Memorandum at Single Entity Treatment; *see also* Memorandum, "Antidumping Administrative Review of Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Preliminary Analysis Memorandum for Sumitomo Rubber (Hunan) Co., Ltd.," dated concurrently with this notice at Single Entity Analysis (Sumitomo Preliminary Calculation Memorandum).

administrative review.⁹ Under this policy, the China-wide entity will not be under review unless a party specifically requests, or Commerce self-initiates, a review of the entity. Because no party requested a review of the China-wide entity, and we did not self-initiate a review, the China-wide entity cash deposit rate (*i.e.*, 76.46 percent) is not subject to change as a result of this review.¹⁰

Separate Rates

In all proceedings involving NME countries, Commerce maintains a rebuttable presumption that all companies within an NME country are subject to government control and, thus, should be assessed a single weighted-average dumping margin unless the company can affirmatively demonstrate an absence of government control, both in law (*de jure*) and in fact (*de facto*), with respect to its exports so that it is entitled to separate rate status.¹¹ Commerce preliminarily determines that the information placed on the record by Qingdao Landwinner Tyre Co., Ltd.; Qingdao Nexen Tire Corporation; Shandong Qilun Rubber Co., Ltd.; and Zhaoqing Junhong Co., Ltd. demonstrates that these companies are entitled to separate rate status.

Dumping Margin for Separate Rate Companies

The statute and Commerce's regulations do not identify the dumping margin to apply to respondents not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation, for guidance when determining the dumping margin for respondents that are not

⁹ See *Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings*, 78 FR 65963 (November 4, 2013).

¹⁰ See *Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Amended Final Affirmative Antidumping Duty Determination and Antidumping Duty Order; and Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 80 FR 47902, 47906 (August 10, 2015).

¹¹ See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value, and Affirmative Critical Circumstances, In Part: Certain Lined Paper Products from the People's Republic of China*, 71 FR 53079, 53082 (September 8, 2006); and *Final Determination of Sales at Less Than Fair Value and Final Partial Affirmative Determination of Critical Circumstances: Diamond Sawblades and Parts Thereof from the People's Republic of China*, 71 FR 29303, 29307 (May 22, 2006).

individually examined in an administrative review. Section 735(c)(5)(A) of the Act states that the all-others rate should be calculated by averaging the weighted-average dumping margins for individually-examined respondents, excluding dumping margins that are zero, *de minimis*, or based entirely on facts available. Where the dumping margins for individually examined respondents are all zero, *de minimis*, or based entirely on facts available, section 735(c)(5)(B) of the Act provides that Commerce may use “any reasonable method to establish the estimated all others rate for exporters and producers not individually investigated, including averaging the estimated weighted average dumping margins determined for the exporters and producers individually investigated.”

Commerce calculated an individual estimated weighted-average dumping margin for SRI, the only individually examined exporter/producer in this administrative review. Because the only individually calculated weighted-average dumping margin is not zero, *de minimis*, or based entirely on facts otherwise available, we are assigning the separate rate respondents a dumping margin equal to Sumitomo’s margin.

Preliminary Results of Review

Commerce preliminarily determines that the following weighted-average dumping margins exist for the period August 1, 2019, through July 31, 2020:

Exporter	Weighted-Average Dumping Margin (Percent)
Sumitomo Rubber Industries Ltd.; Sumitomo Rubber (Hunan) Co., Ltd.; and Sumitomo Rubber (Changshu) Co., Ltd.	1.18
Qingdao Landwinner Tyre Co., Ltd.	1.18
Qingdao Nexen Tire Corporation	1.18
Shandong Qilun Rubber Co., Ltd.	1.18
Zhaoqing Junhong Co., Ltd.	1.18

Disclosure

Commerce will disclose calculations performed for these preliminary results to the parties within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance. Interested parties will be notified of the timeline for the submission of such case briefs and written comments at a later date. Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than seven days after the date for filing case briefs.¹² Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities. Case and rebuttal briefs should be filed using ACCESS¹³ and must be served on interested parties.¹⁴

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Enforcement and Compliance, within 30 days of the date of publication of this notice.¹⁵

Requests should contain: (1) the party's name, address, and telephone number; (2) the number

¹² See 19 CFR 351.309(d); *see also Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19*, 85 FR 17006, 17007 (March 26, 2020) ("To provide adequate time for release of case briefs via ACCESS, E&C intends to schedule the due date for all rebuttal briefs to be 7 days after case briefs are filed (while these modifications remain in effect).")

¹³ See 19 CFR 351.303 (for general filing requirements).

¹⁴ See 19 CFR 351.303(f).

¹⁵ See 19 CFR 351.310(c).

of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs. If a request for a hearing is made, Commerce intends to hold the hearing at a date and time to be determined.¹⁶ Parties should confirm the date, time, and location of the hearing two days before the scheduled date.

Commerce intends to issue the final results of this administrative review, which will include the results of our analysis of all issues raised in the case briefs, within 120 days of publication of these preliminary results in the *Federal Register*, unless extended, pursuant to section 751(a)(3)(A) of the Act.

Verification

On January 14, 2021, the petitioner requested, pursuant to 19 CFR 351.307(b)(1)(v), that Commerce conduct verification of the questionnaire responses submitted in this administrative review by Sumitomo.¹⁷ Commerce is currently unable to conduct on-site verification of the information relied upon in making its final results of this administrative review. Accordingly, we intend to take additional steps in lieu of on-site verification to verify the information. Commerce will notify interested parties of any additional documentation or information required.

Assessment Rates

Upon issuing the final results of this review, Commerce shall determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review.¹⁸ We intend to liquidate entries containing subject merchandise exported by the companies under review that we determine in the final results to be part of the China-wide entity at the China-wide cash deposit rate of 76.46 percent. For the companies receiving a separate rate, we intend to assign an assessment rate of 1.18 percent, consistent with the methodology described above. Additionally,

¹⁶ See 19 CFR 351.310(d).

¹⁷ See Petitioner's Letter, "Passenger Vehicle and Light Truck Tires from China: Request for Verification," dated January 14, 2021.

¹⁸ See 19 CFR 351.212(b)(1).

if Commerce determines that an exporter under review had no shipments of the subject merchandise, any suspended entries that entered under that exporter's CBP case number will be liquidated at the rate for the China-wide entity. Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise from China entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(C) of the Act: (1) for the companies listed above that have a separate rate, the cash deposit rate will be that rate established in the final results of this review (except, if the rate is zero or *de minimis*, then a cash deposit rate of zero will be established for that company); (2) for previously investigated or reviewed Chinese and non-Chinese exporters not listed above that have separate rates, the cash deposit rate will continue to be equal to the exporter-specific weighted-average dumping margin published of the most recently-completed segment of this proceeding; (3) for all Chinese exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be the rate for China-wide entity, 76.46 percent; and (4) for all exporters of subject merchandise which are not located in China and which are not eligible for a separate rate, the cash deposit rate will be the rate applicable to Chinese exporter(s) that supplied that non-Chinese exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping and/or countervailing duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping and/or countervailing duties occurred and the subsequent assessment of double antidumping duties and/or an increase in the amount of antidumping duties by the amount of the countervailing duties.

Notification to Interested Parties

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213 and 19 CFR 351.221(b)(4).

Dated: August 31, 2021.

Ryan Majerus,
Deputy Assistant Secretary for Policy and Negotiations.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Preliminary Determination of No Shipments
- V. Affiliation and Single Entity Treatment
- VI. Discussion of the Methodology
- VII. Currency Conversion
- VIII. Recommendation

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